



AIT Strategic Focus

- Moore's Law: Computing power doubles every 18 months
- Gilder's Law: Network bandwidth capacity triples every 12 months
- Metcalfe's Law: Value of network increases exponentially as number of nodes increases

Integration across the supply chain, Interoperability of the technologies and Scalability of information are key to AIT success

Data

☐ Information ☐ Knowledge ☐ Decision



Integrated Defense Systems AIT Status

The Team

- AIT Teams established at every major IDS site
- IDS AIT Steering Team Leaders from each AIT site team (represent all functions)
- IDS AIT Program Office

Our Approach

- Functional collaboration across IDS, working together with Boeing Commercial, Phantom Works, and Shared Services Group
- Proactive involvement with business and program planning teams
- Support policy development and Boeing compliance
- Participate in OSD (JALC), Industry (AIA), and Standards (ISO) working groups
- The single "face" to Customers and Suppliers regarding AIT

Our Status

- Leadership established and enterprise organization in work
- Engaged with key Customer stakeholders in all aspects of AIT
 - e.g. Single Process Initiative w/DCMA for UID implementation
- Working with Boeing Commercial to coordinate and leverage strategies
- Conducting Boeing AIT Summits
 - Kickoff Nov '04
 - Next Summit Planned for early 2nd Qtr '05



Some UID Examples within Boeing

- Oklahoma City
 - E-3 IDS repair proposed in the form of MIL-STD-129P
 - B-2, Spares proposed in the form of adding MIL-STD-129P
- Long Beach
 - C17 Production Contract, in discussion
 - B1B Multiple Contracts, First On-Contract Order planned 1st qtr 05
- Philadelphia
 - CH47F Engineering Service Task Order on RFP, expect May 05
 - V22 New Build, Mid/Late 2005
- Mesa
 - AH64 New Build, expected 1st qtr 05
- Huntsville
 - Spares 3 active proposals with MIL-STD-130L
- St. Louis
 - T-45, FY05 Production Contract, Mod signed 13 Dec 04, Marking A/C only
 - F-18, Production Contract in discussion
 - AV8, Harrier Integrated Supply Support, On Contract Planned for June 05
- Wichita
 - KC-135 CCAB, in discussion
 - **B-52 CONECT, in discussion**



UID - Addressing Compliance

- We are responding to RFPs & working with our Customers to begin incorporating UID, but most contracts are in their formative state.
- Our experience in part marking and UID is based on commercial aircraft practices and early DoD development work.
- We have a standard IDS flow-down clause for UID that all sites can use with our suppliers (single "face" to our suppliers).
- We are creating the capability to utilize both Construct 1 & 2 UIDs at most sites our suppliers or GFE providers may use a different construct than we have elected to use ourselves.
- Data constructs will vary by Boeing site. Each program will be working directly with their Customers to determine the 'best fit'.
- We are currently in dialogue with our Customers to ensure our deployment plans will support their planned use of this data.



Supplier Flowdown Clause

Master Customer Contract Requirements (CCR):

252.211-7003 Item Identification and Valuation (JAN 2004). Seller shall comply with the unique item identification requirements of this clause for those subassemblies, components, and parts specified elsewhere in this contract. Such identification and marking shall be a high-capacity 2D machine readable code to comply with MIL-STD-130L. The code may include, as space is available, linear bar code and human readable characters. Unless otherwise specified in Boeing product drawings or specifications, the seller may use either Construct #1 or Construct #2. The Seller shall not be required to furnish item valuations as set forth in this clause.



Framework for UID SPI

DCMA/IDS Enterprise UID SPI MOA

- Common principles; framework for site-level SPIs
- Referenced in site-level Block Change mods

DCMA/IDS Site UID SPI

- Block Change mod incorporating DFARS clause, MIL-STD-130L/M, Special Provision tying activation of UID requirements to equitable adjustments
- Site-level implementation plan



- Service/Component customers authorize/fund UID implementation – activates above Special Provision
- CLIN/SLIN changes to itemize UID parts
- New contracts also reference SPI(s)



Single Process Initiative

- Two Tier Process for SPI
 - Top Level IDS Enterprise SPI (Proposal in Review)
 - Site SPI with local DCMA
 - StL AIT Program has drafted a common template
- Product of SPI will be a MOA with the Government



Notional Schedule



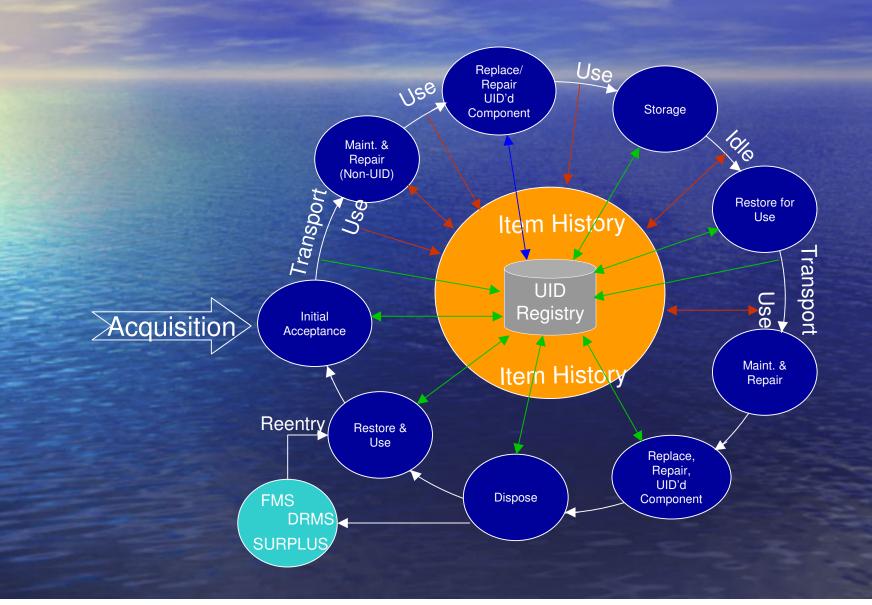
WAWF Readiness

- Working with the sites and DCMA HQ defining WAWF business rules for issues such as:
 - Direct transmission to the UID registry when required
 - RFID requirements, using the MIRR as the Advance Ship Notice (ASN)
 - DoD deliveries using delivery documents other than MIRR
 - WAWF handling of multiple part numbers per CLIN
 - Transmitting fully concatenated UID to WAWF

Rules must be defined to ensure flawless transmission to WAWF



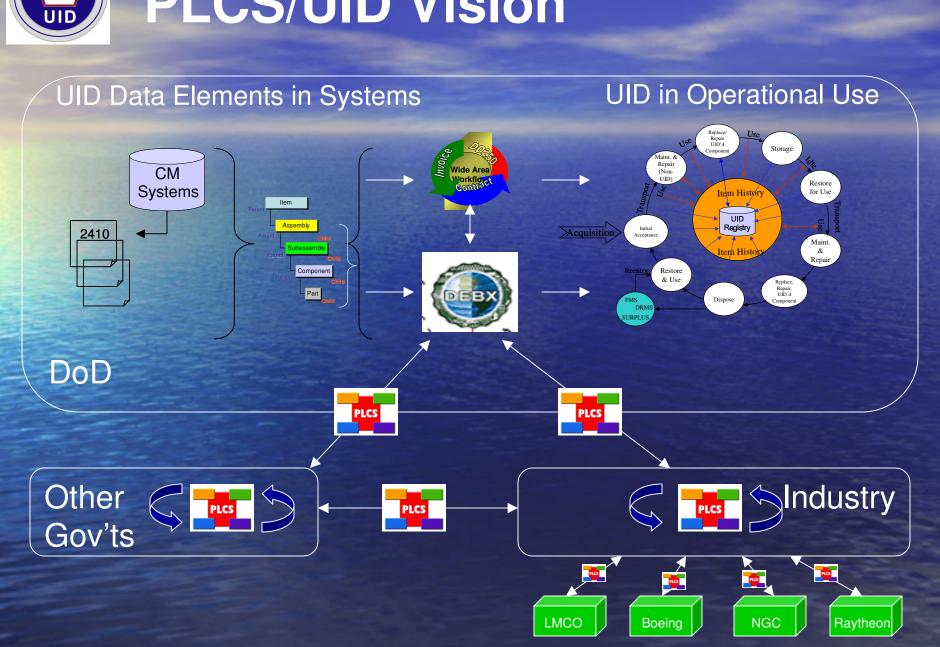
Item Lifecycle







PLCS/UID Vision





Steps to Proficiency

- Executive Management Corporate Strategy
 - Redefine Boeing business processes
- Resource Development
 - Internal Education
 - Hire vs. Develop from Within
- Strategic Partnerships
 - Suppliers, Integrators, Customers
- Business Process Re-engineering
- Enterprise system architecture evaluation & selection
- Standards bodies/working groups

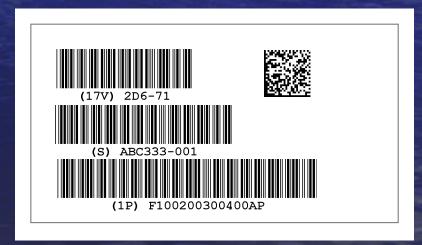


Opportunistic Parts Marking

- This evolution in Automatic Identification Technology (AIT)
 - Satisfies DoD requirement for marking unique identifiers on parts
 - 2-D symbology dramatically improves the ability to identify, track and manage parts



- Strong IP Position
 - System, method & computer program patent 6,799,187
 - S/W & Know How
 - **Growth Potential OEMs**
 - Potential to integrate with OEM systems





Process & Systems Status

UID Process and System Status Matrix																						
Function/Tasks		SQI	St. Louis	Philadelphia	Wichita (Military)	Mesa	окс	San Antonio	Canoga Park	Decatur	Huntington Beach	Huntsville	Seal Beach	Long Beach	Macon	Anaheim	Puget Sound	Puget Sound, Proper	BCA, CAS	SSG Security	SSG US Customs, Co	7E7, data TBD
Site UID Implementation	n Management																					
Site UID Implementation Leader identified																						
Site UID Implementation team identified																						
Site UID Implementation plan deployed																						
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Finance/Business Oper																						
Finance processes/systems updated																						
Business systems mapping for WAWF																						
SPI																						
Contracts training		Ш						<u> </u>	<u> </u>													
Engineering	Lord	П						1						_					<u> </u>			
Develop program part marking strategy														H								
Develop/update standards for part marking								-	┢					⊢								
Support required qualification testing														H								
Define serialization requirements and processes																						
Product Support		ш		<u> </u>				_									_	_				<u> </u>
PRO-6404 released			l _{n/a}	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Support site process/system implementations						,	, a	, &	,		, a	, a	,			, a				, &	, a	, a
Operations	implementations								_													
Define Operations requirements									Π													
Install/deploy production equipment/processes																						
Install/deploy shipping equipment/processes																						
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SSG/IT		''						_						_	_	_			_			
Develop systems architectur	e for UID/RFID																					
Support system/software modification																						
Develop/support equipment																						
No information/update	Points of Contact																					
n/a Does not apply																						
Waiting IDS decision					盲											ıith						
Waiting Site decision					Stephen Johnson	L			١.			s		oue		Richard Kleinsmith		_				
Under development		<u>_</u>		res	형	Jim krupitzer			der	ج	ke	Jack Sanders	ķe	Jay Livingstone		Śleii	Jim Sanborn	John Shearer				
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